BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Natural Gas Service	)))	File No. GR-2019-0077

POSITION STATEMENT OF AMEREN MISSOURI

In accordance with the Commission's July 18, 2019, *Order Regarding Joint Issues List and Statements of Position*, Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri") submits the following *Position Statement*:

LIST OF REMAINING ISSUES

While nearly all issues submitted in the July 19, 2019, *Joint List of Issues, List and Order of Witnesses, and Order of Cross-Examination* ("*Joint List of Issues*") have been resolved, three issues remain, as suggested by the Missouri School Board Association ("MSBA"). Those issues, and Ameren Missouri's position on those issues, are articulated below.

1. **MSBA's primary issue is that the current tariff cash-out rate for inadvertent or over or under delivery of monthly gas volumes of schools is not cost-based per Section 393.310 RSMo., charges the schools a penalty price of the greater of 110% of the PGA price or the monthly spot market index plus $0.15 per Ccf when the schools owe for inadvertent gas but the Company pays 90% of monthly spot market index price if the schools are owed, and was established for large volume industrial type prior to Section 393.310 RSMo. becoming law in 2002…**

MSBA cites only to Section 393.310 RSMo generally, but that provision is tempered by Section 393.310.5 RSMo. While Section 393.310 RSMo does provide generally for cost-based rates in tariffs, Section 393.310.5 RSMo specifically provides that "implementation of the aggregation program set forth in such tariffs will not have a negative financial impact on the gas corporation, its other customers or local taxing authorities…" The cash-out mechanism allows the Company to handle the customer's imbalances in a manner that allows it to prevent such negative financial impacts; it is not an after-the-fact penalty, but a statutorily authorized mechanism designed to prevent harm to the Company and its other customers as a result of this program. Eligible School Entities also provided access to a Supplier Choice Portal so that they can monitor daily usage and nominate, as necessary, to minimize the end-of-the-month cash-outs. If the cash-out mechanism presented a statutory violation, it would have been stricken from Ameren Missouri's tariffs (if approved for inclusion in the tariffs at all) during the 13-year period since its implementation in 2006.

See the June 7, 2019 Rebuttal Testimony of Michael W. Harding at p. 11-19.

See also the June 7, 2019 Rebuttal and July 10, 2019 Surrebuttal Testimony of Louie R. Ervin, Sr.

2. **MSBA's second issue is that rate provisions pertaining only to the school transportation should be in a separate rate schedule or separate section of the general transportation rate schedule for clarity of understanding and applicability…**

In its request for separate rate provisions for school transportation, MSBA is requesting Ameren Missouri create a tariff similar to that implemented by Spire Missouri, Inc. Spire Missouri, Inc. has a demonstrably different gas operation business. Additionally, Spire has noted challenges it has encountered through the implementation of these separate school aggregation tariffs.

See the June 7, 2019 Rebuttal Testimony of Michael W. Harding of Ameren Missouri at p. 11-19.

See the June 7, 2019, Rebuttal Testimony of Lewis E. Keathley of Spire Missouri, Inc.

See also the June 7, 2019 Rebuttal and July 10, 2019 Surrebuttal Testimony of Louie R. Ervin, Sr. of MSBA.

3. **MSBA's third issue is that all rate revenue reductions be equitably allocated within the transportation rate class to prevent discrimination to small volume transportation customers by allocating the class revenue reduction proportionately to all revenue-producing rate components based on test year pre-reduction non-rate revenue and not just on the second volumetric usage block with only large industrial-type users have sufficient usage to reach that rate block.**

Ameren Missouri continues to advocate that the allocation of costs be based on the principle of cost causation to promote economic efficiency in the use of gas and to be equitable across all customers.

See the December 3, 2019 Direct Testimony at p. 4-13, June 7, 2019 Rebuttal Testimony at pp. 11-19, and July 10, 2019 Surrebuttal Testimony of Michael W. Harding at p. 2-11.

See also the June 7, 2019 Rebuttal and July 10, 2019 Surrebuttal Testimony of Louie R. Ervin, Sr.

Respectfully submitted,

*/s/ Paula N. Johnson*__________

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ATTORNEYS FOR
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CERTIFICATE OF SERVICE

I hereby certify that on this 22nd of July 2019, a copy of the foregoing filing was served, via e-mail, to all counsel of record.

/s/ Paula N. Johnson